

Saint Thomas Rutherford Saint Thomas River Park Saint Thomas Stones River

Opposition to VRH CN2004-012



VRH Fails to Demonstrate Need & Orderly Development

The VRH Community Hospital Offers No New Services

- As described in its CON application, the VRH community hospital fails to offer any new services that are not already sufficiently available in Rutherford County
 - Acute Care Beds
 - Cardiac Cath Labs
 - NICU Beds
 - Emergency Dept Treatment Rooms

The VRH Community Hospital Offers No New Services

| VRH Application Proposed Services | Existing STR Services | Duplication of Services |
|---|---|-------------------------|
| Cardiac Cath Lab Undetermined number of suites | 4 Suites 2018 occupancy rate= 70.8% | ✓ |
| Surgical Services 6 ORs | 16 ORs Capacity increased in July 2020 | ✓ |
| Labor and Delivery 6 Beds | 27 Beds National forecasts indicate that the birth rate will decline by 7.7% over the next 5 years in Rutherford County. | ✓ |
| Level II NICU 6 Bassinets | 16 Bassinets Level II NICU Room for future expansion 2018 occupancy rate= 67% | ✓ |
| Emergency Department 14 Treatment Rooms | 8 Treatment Rooms Proposed STR at Westlawn will improve the ACEP* visit per treatment room metric across both facilities. | ✓ |

Rutherford County and the Service Area Are Already Over-Bedded Through 2024

- 210-bed surplus (TDOH Report)
- 370-bed surplus (Agency Summary)
- VRH fails the aggregate 80% occupancy exception to need standard on both existing licensed and staffed beds
 - 49% and 63%, respectively (TDOH Report)
 - 55% and 67%, respectively (Agency Summary)

VRH Will Actually Reduce Access to Care Outside Nashville, Throughout Its 4-County Service Area

- The 3 sole-county, rural hospitals in the VRH service area all reported net losses:
 - Cannon County – Saint Thomas Stones River, \$3.8 million net LOSS (FY2020)
 - Warren County – Saint Thomas River Park, \$2.3 million net LOSS (FY2020)
 - Bedford County – Tennova Shelbyville, \$8.1 million net LOSS (2018 JAR)
- STH supports 2 of these 3 hospitals, financially and clinically
- With such low market share in Rutherford Co. and the 4-county service area, very few VUMC existing patients will be served “closer to home”
- VUMC existing inpatients have a higher ALOS/acuity not appropriate for a “community hospital” as described in the VRH CON application
- Service area patient retention already is high (i.e., low outmigration)

Saint Thomas Health Has Pursued a Satellite Strategy

- The Satellite Hospital Would:
 - provide care closer to home and work for many in West Murfreesboro
 - assist in decompressing its main campus
- The Westlawn Satellite Hospital is 6.6 miles from STR, in the same county, for the service area market share leader (40.5%), costing \$24.6 M, serving a payor mix that is 58.0% Medicare and TennCare patients
- The VRH Full-Service Hospital is 31.3 miles from VUMC, in a different county, has minimal service area market share (11.7%), costing \$134.3 M, serving a payor mix that 42.2% Medicare and TennCare patients

The Vast Majority of VRH Emergency Department Patients Will Come From Existing Hospitals

- VRH projects 22,426 ED visits in Year 2 (FY2025), VUMC served only 8,943 from the same service area (THA 2019)
- Even with population growth, VRH must divert significant ED visits from existing ED providers to meet its projections
- The STR Westlawn Satellite Hospital is a sound and reasonable alternative to meet this highly localized ED need, to better serve its existing ED patients
- STR needed to expand its existing ED to help meet the ACEP guideline of 1,500 ED visits per treatment room per year

Rutherford County NICU Providers Have Capacity

- VRH fails aggregate 80% capacity test for existing providers
- STR and StoneCrest operated at only 58% of capacity (TDOH Report, Agency Summary)
- VRH proposes 6 beds and fails the 10-bed minimum standard
- With NICU services at STR and StoneCrest, VRH also fails the geographic remoteness adjustment for the number of beds
- VRH unabashedly admits that it must redirect NICU patients from other hospitals to meet its NICU volume projections:
 - “The size of the proposed NICU is right-sized to meet the needs of the NICU discharges that are currently outmigrating from the service area to seek care at MCJCHV and *other Davidson County hospitals...*”

Rutherford County NICU Providers Have Capacity, cont.

- The VRH project fails to meet the Need Criterion for Review
- With just 18.3% market share of the Rutherford Co. NICU discharges and 16.4% market share of the four-county service area NICU discharges, VUMC significantly trails STR (the market share leader) at 47.3% and 45.7%, respectively
- The STR NICU is likely to be impacted the greatest by the VRH NICU; the VRH project fails to meet the Orderly Development Criterion for Review
- VRH's projection of need for 29 NICU beds also excludes Davidson Co. providers, an important part of this specialty care referral network

Rutherford County Cardiac Cath Labs Have Available Capacity

- VRH fails aggregate 70% capacity test for existing facilities
- STR and StoneCrest operated at only 61% of capacity (TDOH Summary)
- The 129% utilization calculated by VRH and cited in the Agency Summary is based on only two cath labs at STR rather than the four actual cath labs (correction reported to TDOH on June 4, 2020)
- VRH projects 631 cardiac caths in Year 2 with 278 therapeutic, more than twice the ratio of more complex caths (44% therapeutic at VRH vs. only 20% at VUMC)
- According to VRH (Supp 1, pg 21), VUMC only performed 145 therapeutic caths in the four counties in 2017 so VRH must divert cases from existing cath providers to meet its 278 therapeutic cath projection

